

Soil Conservation Service **5** DIVISION REPORT

Experienced people protecting your resources

HIGHLIGHTS FROM THIS CHAPTER

Aims and objectives for 2007/08	63
Performance highlights	64
Report on operations	65
Future focus	66



SOIL CONSERVATION SERVICE

Division Report

The Soil Conservation Service Division (SCS) is a soil conservation and environmental consulting business within Lands specialising in environmental protection, rehabilitation and land management services to both rural and urban clients. SCS offers competitive, cost-effective services and consultancy to land users for the assessment, development, implementation and promotion of best practice land and water use systems. Maintenance of state government assets on behalf of other government entities is also undertaken by SCS.

With transfer of the administration of the *Soil Conservation Act 1938* in September 2007 to Lands, the department took on the lead agency role in developing a NSW Soils Policy and Action Plan to address the soil targets established under the NSW State Plan.

Aims and objectives

- Lead role in the development of a NSW Soils Policy.
- Provide a cost-effective conservation earthmoving service to protect and conserve the soil and water resources of NSW.
- Set the industry standard for conservation earthworks design and construction.
- Provide a specialist consulting service in environmental protection, resource planning and assessment, environmental engineering and training in soil and water conservation.
- Assist Lands to meet its objective of managing the natural resource of NSW in a sustainable manner.

NSW Soils Policy

Administration of the *Soil Conservation Act 1938* gave Lands the lead agency role to address NSW State Plan Priority E4, (better outcomes for native vegetation, biodiversity, land, rivers and coastal waterways) Milestone 49: 'Develop a soils policy framework that includes a clarification of the cost sharing arrangements for achieving the soil targets.'

Lands' task was to work with the state's natural resource agencies to develop a framework to set a direction and strategic vision for the protection, and where possible, improvement of soils in NSW. The report *NSW Soils Framework 'Looking Forward Acting Now'* was prepared and endorsed by the Natural Resources and Environment CEO Cluster Group and submitted to the Standing Committee on Natural Resources and Rural Affairs. The framework suggests new directions in NSW soil management within the areas of institutional arrangements, research and development, marketing and awareness, information exchange and capacity building, funding and incentives, policy tools, regulations and natural resources management legislation in general. A NSW State Soils Policy Working Group, led by Lands, is developing a draft NSW Soils Policy during 2008/09.

Services

Conservation Earthworks (Works)

Through its plant hire scheme, Works offers a cost competitive earthmoving service to design and implement soil and water conservation earthworks, setting the industry standard for quality. Services include:

- extensive conservation broadacre banking and waterway systems used to contain and divert runoff to stable disposal areas. These works complement conservation farming practices such as reduced and no-

tillage to provide effective control of sheet, rill and gully erosion

- conservation earthworks, including dams, catch banks, waterways, contour banks and integrated watershed soil and water conservation schemes to harvest and store water for domestic use
- grade reducing structures, gully head control, shaping and filling to stabilise actively eroding flow lines
- mine restoration works, access tracks, poly pipe laying, sand dune shaping and other specialist works
- specialist works, such as concrete or rock lined chutes, pipe installation and revegetation.

Soil Consulting (Consult)

Consultancy and contracting services are offered on a fully commercial basis in a broad range of areas associated with environmental protection, rehabilitation and education. Many of the consultancies undertaken involve the Works teams and enable SCS to offer clients a complete package from planning, design and layout through to final implementation. The work is founded on a thorough understanding of what is practical and cost-effective and at all times is concerned with the protection of the environment. These practical skills and knowledge have also been packaged to provide well recognised training programs to the construction industry.

Services offered have expanded and include:



- project management, rehabilitation and revegetation of degraded areas
- resource planning and assessment
- environmental assessment and environmental auditing
- soil surveying and landscape mapping
- soil and water testing services
- catchment and property planning
- erosion and sediment control on infrastructure developments
- design and construction of soil and water conservation works
- flood detention basins, drainage works and artificial wetlands
- training in urban erosion and sediment control, access track construction and rehabilitation techniques
- coastal dune stabilisation and beach reclamation.

Consult services are supported by National Association of Testing Authorities (NATA) registered soil and water testing laboratory at Scone and a hydroseeder/hydromulcher unit at Bathurst.

Operations

These services relate to maintenance of NSW State Government assets on behalf of other government entities on a full cost recovery basis.

- Riverworks – includes maintenance of assets constructed for flood mitigation and prevention under the *Hunter Valley Flood Mitigation*

Act 1956. Under Memorandums of Understanding, SCS is offered the work in this program as well as that involved in the construction of new flood mitigation works funded from the Natural Disasters Relief Fund, for repairs to assets damaged by flooding.

- Great North Walk - established in the 1988 bicentennial year as a 250 kilometre walking track between Sydney and Newcastle. The route includes Sydney Harbour, Lake Macquarie and the Newcastle coastline. The walk is managed by SCS with cooperation and assistance of Forests NSW, Department of Environment and Climate Change (DECC) and 14 local councils. The physical on-ground maintenance works are undertaken by divisional staff.
- Dam Foreshores - SCS was responsible for operational management of the dam foreshores at Glenbawn, Glennies Creek, Lostock, Split Rock, Chaffey, Keepit and Copeton Dams up to December 2007. These 50,000 hectares were managed in accordance with management plans, ensuring their continued long-term stability and environmental protection. SCS staff are engaged in pest and weed control, asset maintenance, fire control and agistment management on a full recovery cost basis on behalf of NSW State Water.

Customers

SCS clients include the landholders of NSW (primarily farmers and graziers), government agencies that include Catchment Management Authorities

(CMAs), Department of Primary Industries – Mineral Resources, Sydney Catchment Authority, Roads and Traffic Authority, DECC - Parks & Wildlife Division, Telstra, TransGrid, local government, conservation groups and commercial companies. (See Table 1 for customer breakdown).

Principal officers

Paul Jones, General Manager and Deputy Commissioner, Business Operations, BEng (civil), Certified Professional Erosion and Sediment Control (CPESC)

Adrian Harte, Deputy Commissioner, Research and Investigation, Director Land Management Crown Lands, BSc(Agric), MRurSc, GradDipPubSecMgmt

David Howley, Area Manager Northern, BSc, MSc, BEng (environment), CPESC

Michael Fletcher, Area Manager Eastern, DipAgr, CPESC

Col Adams, Area Manager Central, DipAgr, CPESC

Guy Van Owen, Area Manager, Southern, BSc (Hons) MSc, DipAgr, CPESC

Aims and objectives for 2007/08

- Lead and co-ordinate the development of the NSW Soils Policy, working with NSW natural resource agencies, in particular address Milestone 49 of the Priority Action Plan for E4: 'Develop a soils policy framework that includes

SOIL CONSERVATION SERVICE

Division Report



a clarification of the cost sharing arrangement for achieving soil targets' (Lands, DECC, Treasury and CMAs).

- Provision of a range of practical environmental services to work with agencies in the implementation of the NSW Government's State Plan, in particular Environment for Living priorities:
 - E4: Better outcomes for native vegetation, biodiversity, land, rivers and coastal waterways
 - to a lesser extent priorities:
 - E2: A reliable electricity supply with increased use of renewable energy (working with power utilities)
 - E8: More people using parks, sporting and recreation facilities, and participating in the arts and cultural activity (Great North Walk and working with local government).
- To develop a broader commercial recognition of the SCS through contract and partnering agreements with government agencies.
- Develop strong working relationships with catchment management authorities (CMAs) to assist in their catchment plans, particularly in the area of degraded land management and rehabilitation.
- Work closely with Crown Lands Division in the program areas of fire trail maintenance, bushfire hazard reduction and minor dams project management.

- Through the business planning process demonstrate to Treasury the viability and need of an ongoing plant replacement program. Decrease operational costs and increase revenues to improve financial viability and demonstrate SCS's commitment to stated business plan financial targets.
- Monitor customer satisfaction and continue ongoing review of SCS's quality management system to ISO9001:2000. Increase the number of external accredited offices.
- Develop an integrated management system adding OHS (AS4801:2001) and Environmental Management (AS/NZL ISO14001:2004) to the current system and seek accreditation.
- In recognition of SCS's age profile, identify and fill key staff positions ensuring mentoring to retain workforce knowledge. Recruit additional Consult staff to meet an increasing work demand.

Performance highlights

- *Soil Conservation Act 1938* administration transferred to Lands following extensive negotiations. Reuniting the Act with the SCS will enable the division to move forward in a constructive manner relating to its business plan proposals as well as providing Lands with a leading role in developing a contemporary NSW Soil Policy.

- Completion of the *NSW Soils Framework 'Looking Forward Acting Now'* report, as a first step in developing a contemporary NSW Soils Policy replacing the existing 1987 policy.
- Marketing a promotional DVD on the services provided by the SCS with customer testimonials at project sites was completed and distributed. A tender preparation workshop was completed with key consult staff to improve tender submission success. A marketing consultant was engaged to review customer survey results and refine survey questionnaires for subsequent surveys. Field days at Mudgee, Orange and Agquip (Gunnedah) were attended to promote Lands services and local operations.
- Service agreements with government agencies with preferred supplier status won through public tender or direct negotiations with SCS clients. An example this year was SCS providing Transgrid Environmental Management Services for Electricity Infrastructure Developments.
- CMA relationships have developed well over the year. CMAs are now a major client for professional services and projects which totalled \$1.46m this year. A large number of CMA joint-funded projects were also directly undertaken for landholders.
- Completion of fire trail maintenance, bushfire hazard reduction, minor dams project works and miscellaneous projects to the value of \$2.69m for the Crown Lands Division.

SCS is responsible for the management of 50,000 hectares of dam foreshores

Table 1 – Percentage of customers by group

Customer group	Works (% of customers)			Consult (% of customers)			Operations (% of customers)			Total 2007/08
	2005/06	2006/07	2007/08	2005/06	2006/07	2007/08	2005/06	2006/07	2007/08	
Landholders	67.6	68.6	56.6	1.6	2.9	1.1	30.4	17.7	10.9	17.4
State government	11.4	17.2	23.2	76.7	68.8	72.6	67.2	71.7	79.4	60.3
Local government	4	3.4	3.8	10	7.9	5	2.4	2.8	5.4	4.8
Corporate	16.3	9.3	15.2	11.5	20.2	20.6	-	7.8	4.2	16.8
Other	0.7	1.5	1.2	0.2	0.2	0.7	-	-	0.1	0.7
Total	100	100	100	100	100	100	100	100	100	100

Table 2 – Billings by customer group

Customer group	Works (sales \$000)			Consult (sales \$000)			Operations (sales \$000)			Total 2007/08
	2005/06	2006/07	2007/08	2005/06	2006/07	2007/08	2005/06	2006/07	2007/08	
Landholders	4,382	5,002	4,270	156	305	178	938	883	447	4,895
State government	743	1,254	1,751	7,676	7,151	11,962	2,071	3,591	3,248	16,961
Local government	262	253	285	1,001	822	833	73	139	221	1,339
Corporate	1,056	676	1,147	1,149	2,105	3,389	-	391	170	4,706
Other	47	107	89	25	16	113	1	2	3	205
Total	6,490	7,292	7,542	10,007	10,399	16,475	3,083	5,006	4,089	28,106

- A revised SCS 2008-2013 business plan was submitted to Treasury in June 2008. Financial targets identified in the previous plan for 2007/08 were exceeded, reflecting the division's commitment to profitable operations expansion.

Consult activities again showed very strong growth for the year. A range of major environmental rehabilitation consultancies were completed with a

significant increase in new clients (65%) providing a 33% increase in income (\$3.8m).

Report on operations

Works

Works income (billings plus accrued less prepaid income) at \$7.7 million was a small drop on last year's income (2.3%),

but 9% below the budgeted income of \$8.5 million. Chargeable plant hours at 951 hours per unit also dropped on the 2006/07 figure (1,053 hours) and was well below the annual target of 1,300 hours (27%). Plant hours were again impacted by the ongoing widespread drought conditions for the majority of the year with a significant fall in landholder income as shown in Table 2. Excessive plant maintenance downtime

SOIL CONSERVATION SERVICE

Division Report

also continues as a major issue and cannot be addressed until the group's plant replacement program is approved by Treasury. Operational units remained at 39 bulldozers and two excavators. Approximately 16,437 hectares of land was treated with conservation earthworks including broadacre banks/waterways, dams and sediment detention structures. Unfortunately in August 2007, Works lost an experienced long-term employee in a tragic excavator accident. Preliminary findings have ruled out work practices as a cause, with the matter under ongoing WorkCover investigation.

Consult

Total Consult income (billings plus accrued less prepaid income) for the year at \$15.3 million exceeded budgeted income of \$12.7 million (20.7%) and represented a 33% increase on the previous year. Significantly, Consult contract acceptances totalled \$17 million (53%) well up on the previous year's figure of \$11 million. This was an outstanding result for existing staff resources, and again provides a solid workload to commence the new year.

A major contributor to the year result was a significant increase in project management work for the Department of Education and Training, and directly with schools.

The unit successfully bid for a number of preferred contractor and project tenders including work for Parks and Wildlife (DECC), Mineral Resources (DPI), Sydney Catchment Authority, Transgrid, RTA and Defence. Commonwealth funded environmental programs also provided a number of project opportunities through CMAs in the Murray, Murrumbidgee, Southern Rivers, Lachlan, Central West, Hunter and Border/Gwydir Rivers areas to undertake works for rural landholders.

With the large ongoing Consult demand evident, four new staff positions were filled during the year at Queanbeyan, Wagga Wagga and Parramatta (two). A further two positions at Orange and Newcastle were advertised and await filling. The continued strong growth in Consult will support additional staff resources and this aspect forms an important component of the division's business plan 2008-2013.

Operations

Hunter Valley flood mitigation works, Great North Walk (GNW) and dam foreshore programs were completed during the year to the value of \$4.8 million, up 6% on last year. Riverworks teams had a strong year, successfully sourcing additional projects to ensure full operational costs were met and improving revenue. Ironbark Creek flood gate and revetment restoration works at Hexham (\$551,000) was one of several large projects completed during the year for DECC and Hunter Central Rivers CMA.

Earlier in the year GNW staff assisted Oxfarm in another very successful charity walk event on the track. GNW staff also assisted 15 officers from HMAS Newcastle undertake a charity walk on the track, raising over \$13,000 for the Hunter Orthopaedic School.

Dam foreshore land management works ceased during the year (December 2007) with the 11 staff finding alternate employment and one retiring. Closure of the works resulted in falls in landholder agistment income (49%) and State Government income (10%) shown in Table 2 for Operations. Transfer of the land management functions back to State Water brought to an end a 57-year association with dam foreshore management for the SCS.

Future focus

Lands, through the NSW Soils Working Group, will work with the state's natural resource agencies to develop a NSW Soils Policy and Action Plan during 2008/09.

SCS will work to expand services to CMAs and natural resource agencies with a view to implementing the NSW Government's State Plan 'Environment for Living' priorities, through the provision of technical advice and a range of cost-effective practical solutions to environmental issues.

Consult operations continue to provide a substantial stream of income for the division and again showed a strong increase in sales for the year. The division will look to further expand these operations to improve overall financial position.

Works plant operation continues to experience excessive repair costs due to the ageing fleet. There was no progress during the year on fleet replacement, delayed by ongoing negotiations with Treasury on the future of this important service to rural NSW. The cost of providing conservation earthmoving services, previously assisted by the payment of a community service obligation, are higher than the revenue gained. The government's intention that the division maintains soil conservation services in rural NSW requires a financial recognition of the community benefits provided. The revised business plan now with Treasury provides a way forward with a range of measures to address the Works issues and improve the division's financial performance.